

INTELLECTUAL PROPERTY RIGHTS IN CYBERSPACE

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Items for Discussion

- Brief Summary of Malaysian Legislative Initiatives in IP
- Issues relating to IP in Cyberspace – Developments since the Malaysian Initiatives
- Legislative Response?

Intellectual Property Rights in Cyberspace

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Multimedia Development Corporation
16-17 August 2002

Summary of IPR Legislative Initiatives for MSC

ISSUES OF CONCERN IN 1997

- Scope of Protection in Online Environment
 - Protection of existing works
 - Position of temporary copying
- Status of Multimedia works – creation, scope
- Electronic Databases
- Liability of On-line Service and Network Providers
- Problem of Piracy

Commitment to Protect IPR under MSC Bill of Guarantees

Restricted to copyright issues

Response – Copyright (Amendment) Act 1997

- | | |
|---|--|
| Multimedia Works | Scope of copyright |
| – Clarification of status and scope of protection | – Communication to the public |
| | – Distribution |
| Databases | Circumvention of effective technological measures |
| - Definition | Removal and alteration of electronic rights management information |

Since then ...

- Legislative initiatives
 - in Japan, US, Australia, some ASEAN countries
- International
 - WIPO Copyright Treaty;
 - EU Directive on the Harmonisation of Certain Aspects of Copyright and Related Rights in the Information Society –
- Cases
 - Copyright, patents, trade marks
 - Testing the boundaries of IP laws in cyberspace
 - IP as a means of protection
 - Permissible limits of IPR

Issues

Using Content Dealings with content

- Copyright
- Trade Mark
- Patent
- Selling, Distributing, Sharing, etc

Issues

Peer2Peer technology
– file downloading sites – music, software, etc

Use of Trade Marks

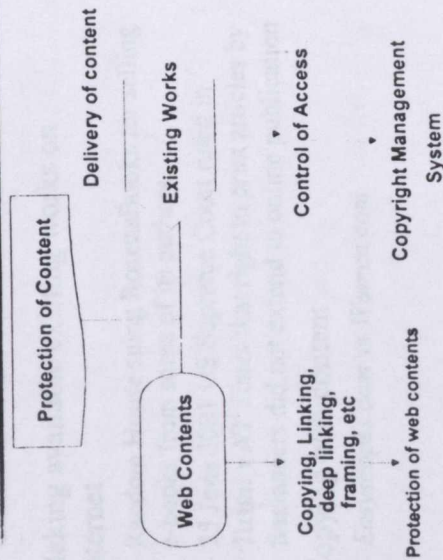
Domain names

Streaming

Software Patents & Business Methods

Posting or copying web content

Contents – Using and Creating



Creation of New Works

- Creation of online works – existing or customised works
- Web sites and portals – web pages
- Text, graphics, audio, video – both customised or existing works
- Web programmes – streaming or webcasts

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Linking

- A connection between content of two different files – same web site or different web site - HREF (Hypertext REFerence link or IMG (IMaGe) link
- Deep linking – linking to a particular page bypassing home page of the site
- “Heart and soul” of the World Wide Web – Implied licence?
- Infringement of Copyright? Trade Mark? Database right?
- Protection of Link List

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Delivery of Works

- Bandwidth
- Compression techniques – MP3 format – allow for rapid transmission from computer to computer by email or other file transfer protocol
- Peer2Peer software – file sharing
- Distribution of music, images, text, etc

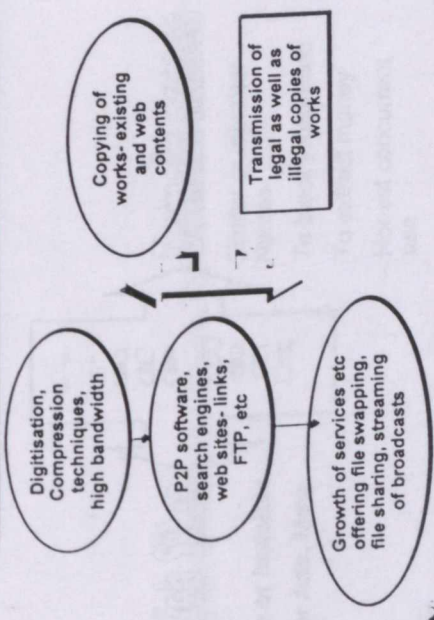
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Posting or copying web content

- Making available existing works on Internet
 - Random House suing RosettaBooks for selling e-books from some of its authors
 - 25 June 2001 US Supreme Court ruled in *Tasini v NY Times* that right to print articles by freelancers did not extend to online publication
- Copying web content
 - *Easyscopes.com vs Women.com*

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Challenges for Copyright



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Business Method Patent

- Software inventions that embody methods of transacting business on the Internet
- Eg 1-Click - US Patent No. 5,960,411 (the "411 patent") - Amazon.com
- A method and system for placing purchase order over a communications network by using only a single action
 - a single click of a computer mouse button, once information identifying the item is displayed to the consumer.
- Action against BarnesandNoble.com - Express Lane
- Trial - Sept 2001

[Link](#)

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Software Patents & Business Methods

- Software
 - Hyperlinking software
 - Business to business software
 - Internet Search Engines
 - Audio Software and File Formats
 - Graphical User Interface Software
- Business Methods
 - Internet purchasing patents - eg 1-Click
 - Advertising and marketing patents
 - Auctions on the Internet
 - Account and Management Systems

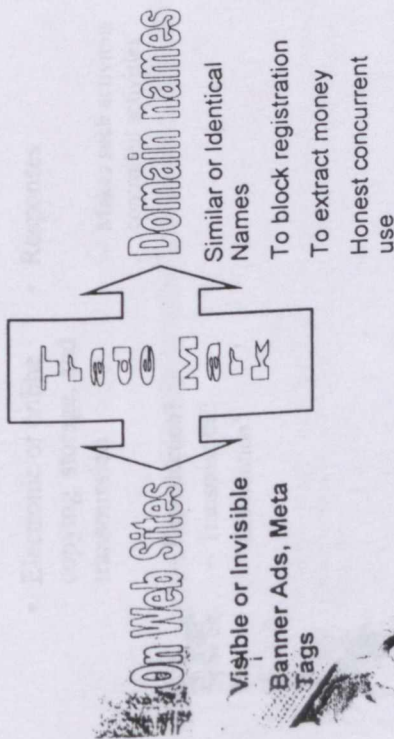
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Trade Marks, Names in Cyberspace

- Use of trade marks, brand names, business names, logos, etc
- Marks may be registered or unregistered
- Business establishing web presence - typically would use their names, trade marks as domain names eg www.malaysiaairlines.com.my or use their trade marks on their websites.

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Trade Marks



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Domain Names

- Domain name hijacking or cybersquatting
- Obtaining for future use
 - ↑
- To prevent owner of trade mark or name from using it
 - ↑
- To extract money from owner
 - ↑
- Unlikely – exposure to litigation
- In itself not a tort but coupled with purpose of blocking that is to extract money – bad faith

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Depends ...



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Legislative Response

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Copyright: Restricted Acts?

- Electronic or online copying, storage, and transmission
 - Responses
 - Makes such activities controlled activities

- Reproduction?
- Transmission?
- Distribution?

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Encryption

- Encryption – Adobe used encryption to lock up content - eBook Reader
 - Advanced eBook Processor – allows decryption – Dmitry Sklyarov – charged with trafficking in a product designed to circumvent copyright protection – US DCMA.
- DeCSS program – to bypass encryption
 - DVD – encrypted with Content Scramble System (CSS)

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Controlling Access

Technological solutions for protection of rights

- Encryption, watermarks, software, chip, scrambling, passwords, spoofing, hacking
- Use of electronic rights management information

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Legislative Responses

- Anti-circumvention provisions
- Rights Management Information
- Liability of service providers

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Legislative Responses

- Anti-circumvention provisions
 - Directed at behaviour; and
 - Devices
 - Primarily designed to circumvent, or
 - Very limited commercially significant use other than circumvention of technological measures

WIPO Copyright Treaty, Art 11: Adequate legal protection and effective legal remedies against the circumvention of effective technological measures

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Malaysian Copyright Act 1987 - s 36(3)

- Copyright is infringed by any person who circumvents or causes anyone to circumvent
- Any effective technological measures
- Used by authors in connection with exercise of their rights
- That restrict acts which are unauthorised.

Devices?

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Legislative Responses

- US Digital Millennium Copyright Act 1998
- EU Directive on the Harmonisation of Certain Aspects of Copyright and Related Rights in the Information Society (2001) – similar to Art 11 of WIPO but bans devices that are used or designed for circumvention.

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Balancing ...

- Need for exceptions
 - Anti-Circumvention provisions
 - Temporary reproduction – incidental copies for technical purposes, browsing, use in normal course,
 - Public security
 - Use by libraries, educational institutions for non-commercial purposes
 - Computer programs – normal use, back up, interoperability, error correction, security testing

Not expressly provided for under the Malaysian provisions.

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Electronic Rights Management Systems (ERMS)

- Terms and conditions of use

ALSO

- Monitor access
- Identify users
- Facilitate collective administration

Violation to remove

Creation of multimedia works, facilitates rights clearance

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Our Patents Act

Invention

- new
- inventive step
- industrially applicable

Limits to what can be patented

- schemes, rules or methods for doing business, performing purely mental acts or playing games

Software? No exclusion

Business methods? Yes

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Responsibility of Service Provider

- Mere conduit
- Provider of contents
- Will depend on
 - Direct liability
 - Secondary liability

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Challenges for Patents

- A balance between innovation and protection
- Hence need for technological innovation
- Patenting software and business methods – consistent with the above principle?

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TRIPS - Art 27

- Patents shall be available for
 - any inventions - products or processes
 - in all fields of technology

Software and Business Methods permissible?

- Express provisions to deal with the registration or trafficking of domain names identical or similar to registered trade marks?
- Provision of dispute resolution mechanism?

Trade Mark

- Existing measures under law of passing off or trade mark law adequate to meet the issue?
- If registered trade mark
 - Use as a trade mark – that is, in connection with trade, to indicate origin
 - Confusion or deception
- Misrepresentation

Dispute Resolution

- Dispute resolution mechanism – ICANN
- Uniform Domain Name Dispute Resolution Policy (UDRP)
- Applicant required to submit to mandatory dispute resolution procedures in the following situations:
 - Identical or confusingly similar trade mark
 - No rights or legitimate interests in respect of domain name
 - Domain name has been registered and being used in bad faith

Final Issue ...

IP – an asset and a tool

To protect, expand and develop business,
enhance competitiveness, increase market
share and export opportunities

Identify, Develop, Manage and

Commercialise IP Asset

IP Policy

Thank you

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